LIM KIT SIANG

v.

UNITED ENGINEERS (M) BHD. & ORS.

SUPREME COURT, KUALA LUMPUR
LEE HUN HOE CJ (BORNEO)
WAN SULEIMAN SCJ
WAN HAMZAH SCJ
[CIVIL APPEAL NO. 363 OF 1987]
25 AUGUST 1987

CIVIL PROCEDURE: *Injunction - 1st respondent having transaction with Government - Whether injunction can be granted - Whether order will contravene s. 29 of the Government Proceedings Ordinance 1956.*

This was an appeal against the decision of the High Court Penang which refused to grant an injunction against the 1st respondent on the ground that it is prohibited under s. 29 of the Government Proceedings Ordinance 1956.

Held:

[1] The learned Judge's interpretation of s. 29 of the Government Proceedings Ordinance 1956 was too wide.

[2] The Supreme Court was unable to agree with the learned Judge's extension of the scope of s. 29.

[Appeal allowed. Order in terms with liberty to apply.]

Legislation referred to:
Government Proceedings Ordinance 1956, s. 29

For the appellant - Karpal Singh (K.C. Cheah with him); M/s. Karpal Singh & Co.
For the 1st respondent - Mohd. Zaid Ibrahim; M/s. Zaid Ibrahim & Co.
For the 2nd, 3rd & 4th respondents - T. Selventhiranathan, SFC (Tee Geok Hock, FC, with him)

[Editors' Note: The High Court decision, which led to this appeal, is reported in this issue at p. 742.]

JUDGMENT

Lee Hun Hoe CJ (Borneo):

This suit is for a declaration against 2nd and 3rd respondents. By summons-in-chambers dated 18 August 1987 the appellant sought an interim injunction against the 1st respondent to restrain him from signing the proposed contract.

The learned Judge's interpretation of s. 29 of the Government Proceedings Ordinance is too wide. Apart from what the statute expressly prohibits, he ruled that the Court cannot grant injunction against a party having a transaction with the Government as in the present case. That will have the effect, he said, of indirectly prohibiting the Government from signing the agreement. With respect, we are unable to agree with the learned Judge's extension of the scope of that section.

We have considered a number of authorities both English and local as to the question of *locus standi*. We need only say that on the facts of this case the appellant clearly has *locus standi* to bring this suit.

For the purpose of the application we do not consider the question of the lawfulness or otherwise of the contract is relevant at this stage. We therefore allow the appeal. Costs in the cause.

We would grant the orders in terms of prayers (1) and (2) of the said summons-in-chambers with liberty to apply to the Court below.

We would order that this suit be heard early before another Judge.

Deposit to be refunded to the appellant.

Also found at [1987] 2 CLJ 195